FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE
Rev. 0, June 10, 2004
PBS: RL-011, NM Stabilization and Disposition – PFP
Allocated Fee: $54.8M of the fee available in Contract B.4

Performance Objective 1: Complete Pu Stabilization and Packaging, legacy Pu holdup removal and PFP de-inventory by 30 September 2006
$24M of the fee available in Contract B.4

Performance Objective 1a: Complete stabilization & packaging of DNFSB 2000-1 Pu bearing materials by 18 February 2004. COMPLETE

1) Increments as follows:
   a) $2.5 M for 9 increments of 500 items and 1 increment of 166 items of polycubes and oxides stabilized and packaged. **COMPLETE**
   b) $1.0M upon completion of all polycubes. **COMPLETE**
   c) $5.0M upon completion of all stabilization and packaging of Pu bearing materials by 18 February 2004. **COMPLETE**

Performance Objective 1b: Complete the deinventory of the PFP DOE-STD-3013 containers and unirradiated fuel by shipping them to Savannah River or other approved location by 30 September 2006.

1) $1.0M may be earned as progress payment for initial shipment to SRS
2) $3.8M may be earned as progress payment in 8 equal increments for 3013 containers shipped and 2 equal increments for un-irradiated fuel pins and assemblies shipped to SRS.

Completion Criteria:

- A SNM shipment is considered complete when the shipment leaves the PFP PA either by SST or commercial shipment.

Assumptions:

- None identified.

Government Furnished Services/Items:

- DOE will provide authorization to allow shipment of Hanford Pu to SRS to begin by 30 August 2004
- Minimum of 32 SST convoys (3 SSTs per convoy at a rate of 18 convoys between FY 2004 and FY 2005, and 14 convoys in FY 2006) for PFP de-inventory by 15 September 2006 not to exceed more than 3 convoys in one month.
- DOE will provide authorization to allow shipment of un-irradiated fuel pins and assemblies including contaminated driver fuel assemblies in MFFPs to SRS by 30 September 2005. This does not include NRC approval of PFP payload in MFFP SARP.
- SRS will empty MFFP shipping casks and make available for return to Hanford.

Performance Objective 1c: Remove and disposition plutonium holdup in process equipment at PFP by 30 September 2005

1) $6.8M may be earned as provisional payment in 10 increments of 10% Pu holdup removed and dispositioned. Provisional payment converts to progress payment upon completion of Pu holdup removal and disposition by 9/30/05. Increments payable as follows:
   a) 10 increments of 10% of Pu holdup removed and dispositioned.
      i) Increment 1-2 at $1M each. **(COMPLETE)**
      ii) Increment 3-6 at $0.6M each.
      iii) Increment 7-10 at $0.6M each.

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE
Rev. 0, June 10, 2004
PBS: RL-011, NM Stabilization and Disposition – PFP
Allocated Fee: $54.8M of the fee available in Contract B.4

Completion Criteria:

1) Legacy holdup removal is considered complete when sufficient plutonium holdup has been removed and dispositioned such that the remaining legacy plutonium does not require protected area controls. Disposition is complete when the plutonium has been either stabilized and packaged to meet DOE-STD-3013 and placed in vault storage, or has been prepared and packaged for disposal at WIPP in accordance with Hanford Solid Waste Acceptance Criteria (which incorporates the WIPP Waste Acceptance Criteria), or removed from the PFP protected area, or removed from the Material Control and Accountability (MC&A) records.

Assumptions:

- None identified.

Government Furnished Services/Items:

- None identified.

Performance Objective 1d: Disposition miscellaneous nuclear materials stored at PFP

1) $1.5M may be earned as progress payment in 3 increments as follows:
   a) 1 increment of $0.5M for initial shipment of miscellaneous nuclear material
   b) $1M in 2 increments of $0.5M for disposition of each 50% of remaining miscellaneous nuclear materials

Completion Criteria:

- Materials to be dispositioned are the following at PFP as of 1 May 2004:
  - HEU fuel pins
  - Sodium bonded fuel
  - Potentially NaK bonded fuel
  - Pu-Be sources
  - Am-Be sources
  - Pu-238 sources
  - Surplus californium items
  - Surplus thorium items
  - Surplus strontium items
  - Surplus neptunium items
  - Surplus selenium items
  - Surplus rubidium items
  - Surplus uranium items (excluding U-233)
  - Surplus U-233 items
  - Surplus americium items (excluding Am-Be)
  - Sources/standards not needed to support D&D of PFP
- Disposition of the nuclear material listed above is considered complete when the materials/fuel have been removed from the Protected Area and dispositioned as waste or shipped to another site/facility. Sources and standards that are needed for D&D are not included.

Assumptions:

- None identified

Government Furnished Services/Items:

- None identified

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE
Rev. 0, June 10, 2004
PBS: RL-011, NM Stabilization and Disposition – PFP
Allocated Fee: $54.8M of the fee available in Contract B.4

Performance Objective 1e: Remove remaining SNM from PFP such that safeguards and security controls for a protected area are no longer required.

1) $2.4M may be earned as progress payment in 3 increments as follows:
   a. $1M upon completion of shipment of LAMPRE fuel,
   b. $1M upon completion of shipment of slightly irradiated FFTF fuel
   c. $0.4M upon completion of removal of remaining SNM from PFP such that special access and safeguards and security controls for the PFP protected area are no longer required as determined by a security risk assessment or equivalent. Limited area "islands" will be used and are acceptable for the protection of information and any remaining SNM at PFP.

Completion Criteria:

- Shipment of LAMPRE and slightly irradiated fuel is considered complete when the shipment leaves the PFP PA and accountability is transferred to the receiving organization. Removal of remaining SNM from PFP is complete when special access and safeguards and security controls for the PFP protected area are no longer required as determined by a security risk assessment or equivalent. Limited area "islands" will be used and are acceptable for the protection of information and any remaining SNM at PFP. Provide documentation showing that the remaining nuclear material at PFP no longer requires a protected area per the DOE Orders. Actual elimination of the PFP PA controls is not required as part of this performance incentive.

Assumption

- None identified

Government Furnished Services/Items

- Approved Safeguards and Security waivers for the CSB as follows: 1) protected area, 2) secondary alarm station, and 3) material control and accountability associated with the storage of Category I special nuclear materials within 90 days of submittal.

Performance Objective 2: Demolish PFP consistent with the Action Memoranda (AM)
$30.797M of the fee available in Contract Clause B.4

Performance Objective 2a: Transition facilities at PFP per the PFP Complex End Point Criteria and in accordance with applicable TPA milestones

1) $0.5M may be earned as progress payments in 2 equal increments of $0.25M each upon demolition of ten PFP facilities at PFP to slab-on-grade by 30 September 2005.
2) $2.0M may be earned as progress payments upon demolition of the highly contaminated 232-Z Pu waste incinerator facility to slab-on-grade by 31 March 2006.

Completion Criteria:

1) Transition of facilities is complete when the facility specific end point criteria have been met and signed off as complete except the contamination control cap may be omitted provided contamination control is provided per Hanford Site criteria. Omission of the contamination control cap allows the economical installation of final contamination control caps at the end of the project. The 10 facilities to be transitioned are MO-834, MO-839, MO-264 (excessed), 234-ZB, 234-ZC, 241-ZB, 2731-Z, 2735-Z, 2902-Z, and 2904-ZA. Substitution of other buildings on the DOE-HQ gold metrics nuclear facilities list is allowed for the listed facilities not required to be removed for Design Basis Threat requirements.

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE
Rev. 0, June 10, 2004
PBS: RL-011, NM Stabilization and Disposition – PFP
Allocated Fee: $54.8M of the fee available in Contract B.4

2) Transition of 232-Z is complete when the facility specific end point criteria have been met consistent with the Action Memorandum and signed off complete except the contamination control cap may be omitted provided contamination control is provided per Hanford Site criteria.

Assumptions:

- None identified.

Government Furnished Services/Items:

- None identified.

Performance Objective 2b: Complete decontamination or removal of the highest hazard Pu process and waste handling equipment and systems by 30 September 2006

1) $3.6M may be earned as progress payment upon isolation of the 241-Z high-level waste storage tank facility from the underground transfer line to Tank Farms in accordance with TPA milestone M-83-31 by 30 June 2005.
2) $0.3M may be earned as progress payment upon transition of the 241-Z/ZA high-level waste storage tank facility to demolition ready by 30 September 2006.
3) a) $3.0M may be earned as progress payment upon removal or decontamination to low-level waste criteria pencil tanks in the highly contaminated 236-Z Pu Reclamation Facility by 30 September 2006. Fee is payable in 4 increments of 11 pencil tanks each. Increments 1-2 at $1M each. Increments 3-4 at $0.5M each.
   b) $2.5M may be earned as progress payment in 2 increments upon removal or decontamination to low-level waste process equipment in the highly contaminated 236-Z Pu Reclamation Facility by 30 September 2006, as follows:
      i) $1.0M upon completion of removal or decontamination to low-level waste process equipment in room 50 and 60
      ii) $1.5M upon completion of removal or decontamination to low-level waste of the remaining process equipment
4) $16M may be earned as 10 equal payments in 10% increments for removal or decontamination to low-level waste criteria of 189 Pu contaminated gloveboxes and hoods in 234-5Z Pu processing facility by 30 September 2006. First five increments will provisional payments and the 2nd five increments will be progress payments. Provisional payments convert to progress payment upon completion of the 5th increment.
5) $2M may be earned as progress payment, in 2 increments as follows:
   a) $0.5M for initial entry and characterization of 242-Z
   b) $1.5M upon completion of the clean out of Pu and Americium contaminated gloveboxes and contaminated chemical processing tanks in the highly contaminated 242-Z Americium extraction facility if completed by 30 September 2006
6) $0.297M may be earned as progress payment for completion of Area 6.I, Chemical Make-up Rooms 336 & 337 (23 chemical storage tanks) under the original PI. – **COMPLETE**.
7) $0.1M may be earned as progress payment upon completion of size reduction and disposition or decontamination of LLW HA-20MB glovebox by 31 March 2006.
8) $0.5M may be earned as progress payment upon disposition of approximately 600 contaminated plutonium nitrate solution storage containers located at PFP by 30 September 2006. Fee is payable in 4 increments of 25% at $0.125M per increment.

Completion Criteria:

1) 241-Z isolation is complete when the TPA milestone has been met.
2) 241-Z/ZA is considered ready for demolition when the facility has been isolated from Tank Farms and

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE
Rev. 0, June 10, 2004
PBS: RL-011, NM Stabilization and Disposition – PFP
Allocated Fee: $54.8M of the fee available in Contract B.4

all incoming feeds, waste tanks and associated piping within the vaults have been dispositioned in accordance with the 241-Z/ZA Closure Plan or EE/CA and Action Memorandum, contamination has been fixed, all utilities have been isolated, and permits are in place to initiate demolition of the above grade structure. The final filters and stack may remain operational in support of surveillance and maintenance and demolition activities.

3) 236-Z
   a) 236-Z Pencil tank removal or decontamination is considered complete when pencil tanks have been removed or decontaminated to LLW criteria. Resultant waste has been packaged and dispositioned per the Hanford Waste Acceptance Criteria.
   b) 236-Z Process Equipment is considered complete when gloveboxes, tanks, pipes, and ducts that were designed as primary confinement of plutonium have been removed or decontaminated to LLW criteria for removal as part of the building rubble to be dispositioned at ERDF as low-level waste or per agreed upon endpoint. The final filters and stacks may remain operational in support of surveillance and maintenance and demolition activities.
4) 234-5Z Glovebox and hood removal is considered complete when the glovebox and hood have been removed and dispositioned as waste per the Hanford Waste Acceptance Criteria or the glovebox and hood and remaining equipment and components inside the glovebox and hood have been determined to be LLW.
5) 242-Z Cleanout
   a) Initial entry and characterization is considered complete when the initial entry is made, safety system conditions are identified and safety systems are confirmed to be operable or made operable
   b) 242-Z Cleanout is considered complete when chemical feed lines are gravity drained to where they enter the glovebox/process tank, tanks meet the RCRA definition of "empty," and gloveboxes have had SNM and ion exchange columns removed to allow the glovebox to be size reduced for later disposal.
6) Chemical Make-up Rooms 336 & 337 are considered complete per the completion criteria in Performance Incentive S-5, 6.I, as transmitted in contract modification 166. COMPLETE.
7) HA-20MB glovebox is complete when the HA-20MB Closure Plan has been met.
8) Solution Storage container disposal is considered complete when all used plutonium solution containers at PFP have been packaged and dispositioned per the Hanford Waste Acceptance Criteria and removed from the PA.

Assumptions:

- None identified.

Government Furnished Services/Items:

- None Identified.

Signatures

_____ _____
R. G. Gallagher, President & Chief Executive Officer — Date
Fluor Hanford, Inc.

_____ _____
K.A. Klein, Manager — Date
Richland Operations Office

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0, June 10, 2004
PBS: RL-012, SNF Stabilization and Disposition
Allocated Fee: $46.7M of the fee available in Contract Clause B.4

Performance Objective 1: Deactivate and Remove K Basins

Performance Objective 1a: Remove SNF from K Basins
$9.0M of the fee available in Contract Clause B.4

Removal of the K-East Basin fuel enables removal of associated sludge and water, thus eliminating a major environmental risk to the Columbia River. Removal of the fuel from K-West Basin to the 200 Area Plateau moves highly radioactive material away from the river and enables the K-West Basin to be decommissioned, thus reducing the risk of contaminant release to the environment in the event of a basin leak.

1) $2.0M may be earned as provisional payment in 10 Increments of 360 fuel canisters transferred from K-East to K-West as follows:
   a) Increment 1-2 at $500K each. **COMPLETE**
   b) Increment 3-6 at $200K each. **COMPLETE**
   c) Increment 7-9 at $50K each **COMPLETE**
   d) Increment 10 at $50K each

   This provisional payment shall convert to progress payment upon completion of permanent removal of water from K-East Basin by 31 January 2006.
2) $5.0M may be earned as progress payments in 9 increments of 113 MTHM and 1 final increment of remaining MTHM of SNF moved from K-West.
   a) Increments 1-7 at $500K each. **COMPLETE**
   b) Increments 8-10 at $500K each
3) $2.0M may be earned as progress payments in 4 increments of 80 MCOs and 1 final increment of 80 plus MCOs welded and stored in CSB in final configuration.
   a) Increments 1-2 at $400K each. **COMPLETE**
   b) Increments 3-5 at $400K each.

Completion Criteria:

1) All spent nuclear fuel removed from the K-East Basin (excluding fuel fragments that may be discovered during subsequent sludge removal).
2) All spent nuclear fuel removed from the K-West Basin (excluding fuel fragments that may be discovered during subsequent sludge removal).
3) MCOs stored in Canister Storage Building, welded and in final configuration ready for transfer to national geologic repository. Included are only the MCOs containing K Basins fuel and the Shippingport Spent Fuel Containers (SSFCs) containing the Shippingport PWR fuel removed from T-Plant. Excluded is the final welding of the MCOs designated in the MCO Monitoring Plan, SNF-5536, for long-term monitoring.

Assumptions:

- None identified

Government Furnished Services/Items:

- None identified

Performance Objective 1b: Remove and Treat K Basin Sludge
$20M of the fee available in Contract Clause B.4

1) $4M may be earned as progress payment upon transfer of K-East sludge into containers in K-West by 31 July 2005, linearly decreasing to $0 by 30 October 2005. The K-East Basin has leaked in the past, resulting in releases to the soil column only 400 feet from the Columbia River. Removing the sludge from K-East and transferring it to containers in K-West will allow for expedited D&D of the K-East Basin and elimination of the mobile source term (i.e., contaminated water, unfixed contamination on structures and equipment) within the K-East Basin.

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE
Rev. 0, June 10, 2004
PBS: RL-012, SNF Stabilization and Disposition
Allocated Fee: $46.7M of the fee available in Contract Clause B.4

2) $2M may be earned as a progress payment upon the retrieval and treatment of 1 m^3 of sludge to a WIPP certifiable waste form.
3) $4M may be earned in two equal increments upon removal of found fuel and fuel scrap from K Basins. Removal of fuel pieces found during sludge containerizations allows for the basins water to be removed and the basins to undergo D&D.
   a) $2M may be earned as provisional payment upon transfer of found fuel and fuel scrap from KE to KW by 31 July 2005.
   b) $2M may be earned as progress payment and the provisional payment shall convert to progress payment upon removal of found fuel and fuel scrap from KW by 30 September 2006.
4) $10M may be earned as progress payment upon commencement of floor and canister sludge treatment into the current draft WIPP certifiable waste form by 30 March 2006, linearly declining to $8M on 30 September 2006. Accelerates sludge treatment by over 12 years and eliminates long term storage and processing at T-Plant and the associated costs and risk of release. Allows for earlier closure of T-Plant.

Completion Criteria:

1) Sludge removed from K-East Basin as required to allow removal of the basin as a low-level waste (consistent with sludge end-point criteria contained within HNF-20632 [draft] "End-Point Criteria for K Basin Interim Remedial Action").
2) An initial quantity of sludge will be retrieved from K Basins and treated to a waste form "certifiable" under the WIPP WAC.
3) Found fuel and scrap removed from K Basins packaged in MCOs, and the loaded MCOs processed through the CVD facility and shipped to the CSB.
4) Sludge treatment is considered to have commenced following processing of the first 50 remote handled waste packages into a waste form that is certifiable under the draft RH-TRU WIPP WAC. The sludge treatment systems are capable of treating each sludge form.

Assumptions:

- None identified.

Government Furnished Services/Items:

- Review and respond to MC&A Plan and Deviation Request for the current sludge disposition path within 45 days of submittal.

Performance Objective 1c: Deactivate, Immobilize or Encapsulate, De-water, and Remove K-East Basin; and initiate Deactivation and Removal of K-West Basin
$17.7M of the fee available in Contract Clause B.4

1) $3M may be earned as provisional payment upon completion of permanent water removal from K-East Basin, payable in 2 increments as follows:
   a) $1M may be earned as provisional payment for risk reduction achieved by initiating permanent water removal from the K-East Basin.
   b) $2M may be earned as provisional payment upon completion of permanent water removal from K-East Basin.

   The provisional payment shall convert to progress payment upon completion of Performance Objective 2b below.
2) $3.2M may be earned as progress payments for removal, immobilization or encapsulation of K-East Basin contamination as follows:
   a) $1M may be earned upon achievement of risk reduction by immobilizing or encapsulating the construction joint, the location of past basin water leakage, in the K-East Basin Discharge Chute by 30 December 2004.

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE
Rev. 0, June 10, 2004
PBS: RL-012, SNF Stabilization and Disposition
Allocated Fee: $46.7M of the fee available in Contract Clause B.4

   b) $2.2M may be earned upon decontamination or immobilization of contamination, and encapsulation of all 3 K-East Basin Bays by 28 February 2006.
3) $7.5M may be earned as progress payment upon completion of removal and transport of the K-East Basin to ERDF payable in 3 increments as follows:
   a) $1M may be earned for removal of K-East Basin superstructure by 30 June 2006, linearly decreasing to $0 by 31 July 2006.
   b) $1M may be earned for removal of the first encapsulated K-East Basin section by 31 July 2006, linearly decreasing to $0 by 31 August 2006.
   c) $5.5M may be earned for removal of the final K-East Basin sections to ERDF by 30 September 2006.
4) $4M may be earned as progress payment upon removal, encapsulation or immobilization of K-West Basin contamination, payable in 3 increments as follows:
   a) $1M upon immobilization or encapsulation of the K-West Basin discharge chute and associated water removal by 31 December 2005.
   b) $1M upon removal of contaminated Fuel Canisters to support technical basis for D&D from the K-West Basin (source term and risk reduction) by 31 January 2006, linearly decreasing to $0 by 1 March 2006.
   c) $2M upon decontamination or immobilization of 7,600 ft^2 of the K-West Basin walls by 31 August 2006, linearly decreasing to $0 by 30 September 2006.

Completion Criteria:

1) Water from K-East Basin removed and transferred to the 200 Area Effluent Treatment Facility (ETF) or equivalent approved disposition.
   Water removal is completed when the last tanker truck leaves the K Basins for ETF or other permanent removal disposition.
2) K-East Basin debris and contamination removed or immobilized, only to the extent necessary to meet ERDF WAC, (consistent with basin end-point criteria contained within HNF-20632 [draft] "End-Point Criteria for K Basin Interim Remedial Action").
   a) Immobilization or encapsulation of K-East Basin discharge chute is completed when concrete/grout placement is complete and cured for 7 days.
   b) Immobilization or encapsulation of all 3 K-East Basin bays is complete when concrete/grout placement is complete and cured for 7 days.
3) K-East Basin removed and transported to the Environmental Restoration Disposal Facility (ERDF), consistent with existing CERCLA Records of Decision.
   a) Completion of superstructure removal is when K-East superstructure is demolished and delivered to ERDF for subsequent disposal.
   b) Removal of the K-East Basin sections is initiated by the removal of the first section and delivery to ERDF.
   c) Completion is when the last K Basin section is delivered to a suitable location at ERDF. Only the engineered structures will be removed; the excavation at 105-K-East will not be backfilled.
4) Removal, encapsulation or immobilization of K-West Basin.
   a) Immobilization or encapsulation of K-West Basin discharge chute is completed when concrete/grout placement is complete and cured for 7 days. Water removal from the K-West Basin is initiated when the first water tanker truck is filled and shipped to ETF or other permanent removal disposition.
   b) Contaminated fuel canister removal is completed when sufficient canisters have been removed to allow K Basin encapsulation to meet ERDF WAC.
   c) Decontamination of basin walls shall be considered earned upon completion of 7,600 ft^2 of the circumferential surface area. Area decontaminated must be sufficient to allow K Basin dewatering

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE
Rev. 0, June 10, 2004
PBS: RL-012, SNF Stabilization and Disposition
Allocated Fee: $46.7M of the fee available in Contract Clause B.4

to support D&D. Walls to be decontaminated to approximately the same level around the circumference to support subsequent lowering of water level.

Assumptions:

- None identified.

Government Furnished Services/Items:

- None identified.

Signatures

_____ _____
R. G. Gallagher, President & Chief Executive Officer Date
Fluor Hanford, Inc.

_____ _____
K.A. Klein, Manager Date
Richland Operations Office

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0, June 10, 2004
PBS: RL-013-1 Solid Waste Stabilization and Disposition – 200 Area (TRU Shipment)
Allocated Fee: $13.5M of the fee available in Contract Clause B.4

Performance Objective 1: Reduce the risk of continued interim storage by shipping TRU waste for permanent disposal in the geologic repository
$13.5M of the fee available in Contract Clause B.4

Performance Objective 1a: Ship TRU to WIPP

$13.5M may be earned as progress payment as follows:

1) $0.8M for shipment of 256 m^3 of TRU waste (COMPLETE)
2) $11.2M for shipment of an additional 2144 m^3 of TRU waste in 8 increments of 268 m^3 of TRU waste.
3) An additional $0.5M may be earned as progress payment if 2,400 m^3 of TRU waste cumulatively is completed by 31 March 2006, linearly declining to $0 on 30 June 2006.
4) $1M for shipment of an additional 500 m^3 of TRU waste (2,900 m^3 of TRU waste cumulatively) by 30 September 2006.

Completion Criteria:

- Ship TRU to WIPP
  - Shipment is defined as complete upon departure of the waste from the Hanford Site. Transportation may be accomplished either by truck or rail.
  - If volume reduction is utilized for packaging of the TRU waste, the pre-packaging volume may be utilized for completion of this Performance Incentive. For example, if five 55-gallon drums of transuranic waste are compacted and packaged in an 85-gallon over-pack drum, then one cubic meter of transuranic waste may be counted for certification.
  - Meet all acceptance criteria for WIPP.
  - One cubic meter (m^3) of TRU is defined as five 55-gallon drums or three 85-gallon drums.
  - One standard waste box is defined as 1.8 m^3 of TRU.

Assumptions:

- None identified.

Government Furnished Services/Items:

- DOE provides TRUPACT shipping casks, trailers, drivers, TRUPACT spare parts to perform an average of 8 shipments per month in FY 2004 with a maximum of 16 and an average of 18 shipments per month in FY 2005 and FY 2006 with a maximum of 24.

Signatures

_____ _____
R. G. Gallagher, President & Chief Executive Officer — Date
Fluor Hanford

_____ _____
K.A. Klein, Manager — Date
Richland Operations Office

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0, June 10, 2004

PBS: RL-013-2 Solid Waste Stabilization and Disposition – 200 Area (Treat/Dispose MLLW and Retrieve Suspect TRU)

Allocated Fee: $28.1M of the fee available in Contract Clause B.4

Performance Objective 1: Reduce the risk of interim storage by treating and/or disposing of Mixed Low-Level Waste (MLLW)
$10.389M of the fee available in Contract Clause B.4

Performance Objective 1a: Treat and/or Dispose Mixed Low-Level Waste

$10.389M may be earned as progress payments as follows:

1) $1.6M for 2544 m^3 of MLLW (COMPLETE). 2000 m^3 completed under this performance expectation counts towards the cumulative 5,600m3
2) $6.4M for treatment and/or disposition of an additional 2,480 m^3 of MLLW in 8 increments of 310 m^3 of MLLW.
3) An additional $.589M may be earned as progress payment if 4,480 m^3 of MLLW cumulatively is completed by 31 March 2006, linearly declining to $0 on 30 June 2006.
4) $1.8M for treatment and/or disposition of an additional 1,120 m^3 of MLLW (5,600 m^3 of MLLW cumulatively) by 30 September 2006

Completion Criteria:

- Treat and/or dispose Mixed Low-Level Waste
  - Mixed Low-Level Waste that has been treated by the generator may be directly disposed and counted towards the required volumes of this Performance Incentive.
  - Volumes under this Performance Incentive are pretreatment volumes and consistent with M-91 milestones.
  - Waste currently categorized as MLLW, and in storage, may be counted towards the required volumes of this Performance Incentive if regulatory requirements for disposal are met.
  - Decommissioned Naval Reactor Compartments may not be counted towards the required volumes of this Performance Incentive.

Assumptions:

- None identified.

Government Furnished Services/Items:

- None identified.

Performance Objective 2: Remove the threat of release to the environment (including groundwater) by retrieving suspect TRU (below ground)
$17.711M of the fee available in Contract Clause B.4

$17.711M may be earned as progress payments as follows:

1) $0.211M for 160 m^3 of suspect TRU (COMPLETED)
2) $13.2M retrieval of an additional 3,040m^3 of suspect TRU in 8 increments of 380 m^3.
3) An additional $0.5M may be earned as progress payment if 3,200 m^3 of suspect TRU cumulatively is completed by 31 March 2006, linearly declining to $0 on 30 June 2006.
4) $3M for retrieval of an additional 1,000 m^3 (4,200 m^3 cumulatively) by 30 September 2006
5) $0.4M upon completion of a test dig in Burial Ground 218-E-12B by 30 September 2005.
6) $0.4M upon completion of a test dig in Burial Ground 218-W-3A by 31 March 2006.

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0, June 10, 2004

PBS: RL-013-2 Solid Waste Stabilization and Disposition – 200 Area (Treat/Dispose MLLW and Retrieve Suspect TRU)

Allocated Fee: $28.1M of the fee available in Contract Clause B.4

Completion Criteria:

- Retrieve suspect TRU from those locations as defined in the Settlement Agreement.
  - Retrieval is defined as removing the drums or boxes from the stack, making a determination as to TRU or non-TRU, performing designation, and transportation to a TSD or other compliant disposal facility. For purposes of completing this Performance Incentive, TRU and TRUM (TRU Mixed) are considered synonymous.
  - Retrieved volumes from test digs are 10 m^3 from Burial Ground 12B and 10 m^3 from Burial Ground 3A. Alternative techniques that meet data quality objectives may be substituted for excavation with RL approval.
- Test dig must provide useable evidence as defined in an RL approved Data Quality Objective (DQO) document to determine condition of buried waste.

Assumptions:

- None identified.

Government Furnished Services/Items:

- None identified.

Signatures

_____ _____

R. G. Gallagher, President & Chief Executive Officer
Fluor Hanford

Date

_____ _____

K.A. Klein, Manager
Richland Operations Office

Date

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0, June 10, 2004
PBS: RL-030 Soil and Water Remediation – GWVZ Nuclear Facility
Allocated Fee: $9.6M of the fee available in Contract Clause B.4

Performance Objective 1: Implement Groundwater Remedies
$6.1M of the fee available in Contract Clause B.4

Performance Objective 1a: Implement Groundwater Remedies

$6.1M may be earned as progress payment upon implementation of the groundwater remedies to address compliance with Record of Decision to reduce/eliminate risks of strontium-90, chromium, technetium-99, uranium, and carbon tetrachloride to human health and the environment by 30 September 2006.

1) $0.75M for 100-HR-3 (H Area):
   a) $.6M upon attainment of remedial action objectives (RAOs), as specified in the existing Record of Decision, for chromium at 100-HR-3 (H Area) by 31 March 2006.
   b) $.15M upon completion of active remediation at 100-HR-3 (H Area) by 30 September 2006.
2) $0.75M for 200-UP-1:
   a) $0.6M upon attainment of remedial action objectives (RAOs), as specified in the existing Record of Decision, for uranium and technetium 99 at 200-UP-1 by 31 March 2006.
   b) $0.150M upon completion of active remediation at 200-UP-1 by 30 September 2006.
3) $1.3M for 100-NR-2:
   a) $0.15M upon completion of active remediation of 100-NR-2 by 30 March 2006.
   b) $1.15M upon installation of a sequestration barrier at 100-NR-2 by 30 September 2006.
4) $1.65M for 100-HR-3D (D Area) upon expansion of the pump and treat system to capture the high concentration portion (>22 ppb) of the chromium as required in the Record of Decision by 31 March 2006.
5) $1.65M for 200-ZP-1 upon expansion of the pump and treat system to capture the high concentration portion (>2000 ppb) of the carbon tetrachloride plume as required in the Record of Decision by 31 March 2006.

Completion Criteria:

Implement groundwater remedies to address compliance with Record of Decision to reduce/eliminate risks of strontium-90, chromium, technetium-99, uranium, and carbon tetrachloride to human health and the environment by 30 September 2006.

1) For 100-HR-3:
   a) Complete the groundwater remedies by meeting the remedial action objective for reducing concentrations as described in the interim action Record of Decisions for 100-HR-3 (H Area). The Remedial Design Report and Remedial Action Work Plan for the 100-HR-3 and 100-KR-4 Groundwater Operable Units' Interim Action DOE/RL-96-84 Rev. 0 provides the criteria for successful completion of the interim action at the 100-H Area
   b) Completion of active remediation for 100-HR-3 (H Area) will be considered performed upon removal of the power source for the extraction wells after the remedial action objective has been met.
2) For 200-UP-1:
   a) Complete the groundwater remedies by meeting the remedial action objective for reducing concentrations as described in the interim action Record of Decisions for 200-UP-1. This performance incentive for 200-UP-1 will be considered having been met when concentrations of Tc-99 and uranium have been successfully reduced to below action levels (Tc-99: 9,000 pCi/L and U: 480 ug/L) specified in the 200-UP-1 Interim Record of Decision for a minimum period of one year.
   b) Completion of active remediation of 200-UP-1 will be considered performed upon removal of the power source for the extraction wells after remedial action objectives have been met.

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE
Rev. 0, June 10, 2004
PBS: RL-030 Soil and Water Remediation – GWVZ Nuclear Facility
Allocated Fee: $9.6M of the fee available in Contract Clause B.4

3) For 100-NR-2:
   a) Completion of active remediation of100-NR-2 will be done with the removal of clinoptilite from the treatment vessels and the removal of the power source for the extraction wells.
   b) Complete installation of a 300-foot barrier.
4) For 100-D:
   - Complete the expansion of the pump and treat system by constructing/tying in additional wells compliant with the DOE-approved capture zone analysis.
5) For 200-ZP-1:
   - Complete the expansion of the pump and treat system by constructing/tying in additional wells compliant with the DOE-approved capture zone analysis.

Assumptions:

- None identified.

Government Furnished Services/Items:

- None identified

Performance Objective 2: Eliminate Natural and Artificial Recharge
$2.5M of the fee available in Contract Clause B.4

1) $0.3M may be earned as progress payment upon completion of the Central Plateau water run-on/run-off controls for high risk waste sites to limit driving contamination to the aquifer by 31 March 2006.
2) $1.75M may be earned as progress payment upon decommissioning of 520 high priority Central Plateau wells to eliminate the potential rapid movement and flushing of contaminants to the groundwater by 30 September 2006 as follows:
   a) $0.5M may be earned upon decommissioning 70 high-risk, high priority wells by 30 September 2005.
   b) $0.75M may be earned upon decommissioning, 270 high priority wells in 3 increments of 90, to support Central Plateau area closures by 31 March 2006.
   c) $0.5M may be earned upon decommissioning, an additional 180 high priority wells in 2 increments of 90, to support Central Plateau area closures by 30 September 2006.
3) $0.45M may be earned as progress payment upon completion of twelve Central Plateau water system renovations and elimination of the U Plant septic system discharges by 30 September 2006.

Completion Criteria:

a) Complete regrading, berming, and/or channeling measures to control surface water run-on/run-off at and around high-risk waste sites.
b) Decommission 520 high priority wells, which are closest to waste sites and of poor construction (and/or are geographically in proximity to such wells and support a regional closure, optimization approach), in accordance with Washington Administrative Code. Completion of Webster or "Webster type" wells and all other wells will be documented with field activity reports and submission of decommissioning documentation to State Department of Ecology.
c) Complete the following Central Plateau water system renovations by installing, refurbishing, replacing, or isolating (cut and cap water lines) to eliminate recharge to the groundwater:
   - S-Plant water supply lines S of 16th and N of 19th (L-341)
   - 242-A Evaporator/Canton Street waterline upgrade (L-388)
   - Automate 182-B export water pumps (L-412)
   - 200 East Area raw water reservoir (L-317)
   - 20 inch South "A" Farm raw water supply line in 200 East (L-352)
   - 8 inch North "A" Farm raw water supply line in 200 East (L-353)

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE
Rev. 0, June 10, 2004
PBS: RL-030 Soil and Water Remediation – GWVZ Nuclear Facility
Allocated Fee: $9.6M of the fee available in Contract Clause B.4

- 10 inch B-Plant potable water supply line in 200 East (L-398)
- 200 West Area reservoir (L-311)
- 20 inch S-Labs raw water supply line in 200 West (L-397)
- 12 inch T-Plant potable water supply line in 200 West (L-399)
- 14" 242S raw water supply line in 200 West (L-355)
- U Plant Area water lines (L-441)

- Complete upgrades to eliminate U Plant Area septic system discharges (L-442)

Assumptions:

- None identified.

Government Furnished Services/Items:

- None identified.

Performance Objective 3: Ensure the protectiveness of remedial actions
$1M of the fee available in Contract Clause B.4

EPA and Ecology agreed installation of 60 monitoring wells with multiple uses (RCRA compliance, CERCLA characterization, remediation monitoring) would bring the monitoring well network into compliance and would not required the 240 wells requested by them. This results in costing saving to the government of ~$36M. (Based on an estimated average installation cost of ~$200K per well (180 wells times $200K = ~$36M)).

$1M may be earned as progress payment upon completion of early detection groundwater monitoring network wells in accordance with approved regulatory decision documents by 31 December 2005 as follows:

- $.5M upon completion of 30 wells.
- $.5M upon completion of an additional 30 wells (cumulative 60 wells).

Completion Criteria:

- Completion of wells identified in the TPA Milestone M-24-57.
  - Complete integrated groundwater monitoring system.
  - Certify that the wells are sample-ready and are in accordance with the Data Quality Objectives Summary Report for Establishing a RCRA/CERCLA Integrated 200 West and 200 East Area Groundwater Monitoring Network, CP-15329, Rev. 0, March 2003.

Assumptions:

- None identified.

Government Furnished Services/Items:

- None identified.

Signatures

_____ _____
R. G. Gallagher, President & Chief Executive Officer Date
Fluor Hanford, Inc.

_____ _____
K.A. Klein, Manager Date
Richland Operations Office

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0, June 10, 2004
PBS: RL-040 Nuclear Facility D&D – Remainder of Hanford
Allocated Fee: $12M of the fee available in Contract Clause B.4

Performance Objective 1: Remediate High Risk Waste Sites and Shrink Contaminated Areas
$6M of the fee available in Contract Clause B.4

Performance Objective 1a: Remediate U Plant area waste sites

$3.1M may be earned as progress payment upon remediation of U Plant area waste sites to reduce/eliminate risks of uranium and technetium-99 to human health and the environment as follows:

1) $3.1M may be earned as progress payment in 4 equal increment of $0.775M upon the remediation of four U Plant area high risk waste sites (216-U-1, 216-U-2, 216-U-8, and 216-U-12 Cribs) in the U Plant Regional Closure Area as identified in the waste site proposed plan (DOE/RL-2003-24) by 30 September 2006.

Completion Criteria:

1a: Remediate U Plant area waste sites

- Complete the remediation of U Plant area waste sites to reduce/eliminate risks of uranium and technetium-99 to human health and the environment.
- Remediate four high risk waste sites (216-U-1, 216-U-2, 216-U-8, 216-U-12) in the U Plant Area that are outside the proposed environmental cap to be placed over the 221-U facility and ancillary facility debris (DOE-RL 2001-11, Final Feasibility Study for the Canyon Disposition Initiative (CDI), 221-U Facility). Remediation means installation of remedy in accordance with U Plant Area Waste Sites Record of Decision. Waste site remediation does not include final backfilling and re-vegetation or verification/closeout sampling. Remaining activities will be as identified in Rev. 0 of the RDR/RAWP.

Assumptions:

- None identified.

Government Furnished Services/Items:

- None identified.

Performance Objective 1b: Remediate BC Cribs and Trenches

1) $2.9M may be earned as progress payment in two equal increments of $1.45M upon remediation of BC Cribs and Trenches to reduce/eliminate risks of nitrate, technetium-99, cesium-137, and strontium-90 to human health and the environment by completing at least two of the following waste site groupings by 30 September 2006.
   - Cribs 216-B-14 through 216-B-19, includes 216-E-14 Siphon Tank
   - Trenches 216-B-20 through 216-B-22
   - Trenches 216-B-23 through 216-B-28 and 216-B-52
   - Trenches 216-B-29 through 216-B-34

Completion Criteria:

1b: Remediate BC Cribs and Trenches

- Complete the remediation of BC Cribs and Trenches to reduce/eliminate risks of nitrate, technetium-99, cesium-137, and strontium-90 to human health and the environment.
- Complete BC Cribs and Trenches Area cribs, trenches and pipeline remediation in accordance with the proposed plan (DOE/RL-2004-10) and the Records of Decision. Remediation of waste sites means completion of all protective measures (e.g., installation of engineered barriers) in accordance with the applicable Record of Decision. Waste site remediation does not include final backfilling and re-vegetation or verification/closeout sampling. Remaining activities will be as identified in Rev. 0 of the RDR/RAWP.

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE
Rev. 0, June 10, 2004
PBS: RL-040 Nuclear Facility D&D – Remainder of Hanford
Allocated Fee: $12M of the fee available in Contract Clause B.4

Assumptions:

- None identified.

Government Furnished Services/Items:

- None identified.

Performance Objective 2: Disposition Excess Hazardous Facilities by 30 September 2006
$6M of the fee available in Contract Clause B.4

Performance Objective 2a: Demolish 233-S and 233-SA by 30 June 2004

1) $2.5M may be earned as progress payment upon demolition of the 233-S (Pu Concentration Facility) and 233-SA (Exhaust Filter Building) to slab-on-grade by 30 June 2004. **- COMPLETE**

Completion Criteria:

1) 233-S (Pu Concentration Facility) and 233-SA (Exhaust Filter Building) demolished to slab-on-grade by 30 June 2004.

Assumptions:

- None identified.

Government Furnished Services/Items:

- None identified.

Performance Objective 2b: Demolition of Canyon ancillary facilities as follows by 30 September 2006

1) $2M may be earned as progress payment upon demolition to slab-on-grade 10 U Plant Ancillary Facilities and structures and 10 B Plant structures by 31 March 2006, linearly decreasing to $0 by 30 June 2006.
2) $0.5M may be earned as progress payment upon demolition to slab-on-grade 12 additional B Plant structures by 30 September 2006.

Completion Criteria:

1) Ten U Plant Ancillary Facilities and structures identified in Table A, including at least one nuclear facility as identified in the Hanford Site Technical Database (HSTD), demolished to slab-on-grade by 31 March 2006.
2) Ten B Plant structures, identified in Table B, including at least one radiological facility as identified in the HSTD, demolished to slab on grade by 31 March 2006.
3) Twelve additional B Plant structures identified in Table B, demolished to slab-on-grade by 30 September 2006.
4) The Slab-on-Grade definition is
   - Building and project generated debris packaged and shipped off the demolition project site or in accordance with the Action Memorandum.
   - Final site surveys and sampling is complete.
   - Appropriate stabilization of the slab area is complete and properly posted.
   - Site demobilization is complete.

Assumptions:

- None identified.

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0, June 10, 2004
PBS: RL-040 Nuclear Facility D&D – Remainder of Hanford
Allocated Fee: $12M of the fee available in Contract Clause B.4

Government Furnished Services/Items:

- None identified.

Table A – U Plant Ancillary Facilities Applicable to Performance Objective 2b:
Note: 10 of 12 facilities are within funding guidance. FH will disposition 10 of 12 listed, one of which is a nuclear facility as defined in the HSTD.

- U Plant Ancillary Facilities include the following:
  - 2714-U UO3 Storage Facility
  - 2715-U Oil Storage Building
  - 2715-UA Insulators Shop
  - 2716-U UO3 Plant Fire Protection
  - 2726-U Propane Gas Storage Facility
  - 203-U – Uranium Storage Tank Enclosure
  - 211-U Chemical Tank Farms
  - 211-UA Chemical Tank Farms
  - 2709-A Change House at 2714-U
  - 222-U Laboratory
  - 272-U – Hot Shop/Cold Maintenance Shop
  - 275-UR Storage Warehouse

Table B – B Plant Structures Applicable to Performance Objective 2b:

- B Plant construction lay down yard structures include the following:
  - 272BC Construction Multi-Craft Storage
  - 2200B Construction Portal Monitoring Building
  - 2201B Construction Ice House at 227B
  - 2238E Electrical Supervisors Office
  - 2239E Carpenters Supervisors Office
  - 2240E Paint Shop
  - 2241B Laborer's Storage
  - 2244B Multi Craft Fabrication Shop
  - 2245B Electrician's Lunchroom/Office
  - 2247B Ironworker's Shop
  - 2251E Storage Building
  - 2252E Storage Building
  - 2253E Storage Building
  - 2254E Storage Building
  - 2255E Storage Building
  - 2256E Storage Building
  - 2257E Storage Building
  - MO958 Mobile Office
  - MO959 Mobile Office – Restroom
  - MO964 Mobile Office
  - MO965 Mobile Office – Storage
  - MO967 Mobile Office

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0, June 10, 2004
PBS: RL-040 Nuclear Facility D&D – Remainder of Hanford
Allocated Fee: $12M of the fee available in Contract Clause B.4

Performance Objective 2c: Complete regulatory documentation supporting U Plant Regional Disposition by 31 December 2005

1) $1M may be earned as progress payment upon issuance of the CERCLA decisions for U Plant Canyon Disposition Initiative (CDI) and U Plant Ancillary Facilities by 31 December 2005.

Completion Criteria:

1) The scope will be considered complete when the following actions have occurred:
   a) Action Memorandum for U Plant Ancillary Facilities has received regulator concurrence.
   b) Record of Decision for Canyon Disposition Initiative (221-U Facility) has been issued by the regulators.

Assumptions:

- Utilizing a sound technical and legal basis jointly developed by FH and DOE, DOE will defend and support delivery of the CDI FS/PP, by 30 September 2004 to the Regulator for concurrence.

Government Furnished Services/Items:

- None identified.

Signatures

_____ _____
R. G. Gallagher, President & Chief Executive Officer Date
Fluor Hanford, Inc.

_____ _____
K. A. Klein, Manager Date
Richland Operations Office

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0, June 10, 2004
PBS: RL-041 River Corridor Closure Project
Allocated Fee: $1M of the fee available in Contract Clause B.4

Performance Objective 1: Package, ship and dispose of remaining N Reactor Fuel by 31 March 2006 to meet TPA Milestone MX-92-06-T02, due 30 September 2006. $1M of the fee available in Contract Clause B.4

1) $1M may be earned as progress payment upon completion of packaging, shipping and disposal of 823 MT of uranium metal fuel from three Nuclear Facilities in the 300 Area in accordance with the following increments:
   a) $0.8M may be earned as a progress payment for the packaging, shipping and disposal of 665.3MT of 0.71 and 0.95 enriched Uranium Fuel.
   b) $0.2M may be earned as a progress payment for the packaging, shipping and disposal of 158.19MT of 1.25 enriched Uranium Fuel.

Completion Criteria:

1a) 665.3 MT of uranium metal fuel listed in Table A packaged, shipped and disposed from the 300 Area
1b) 158.19 MT of uranium metal fuel listed in Table A packaged, shipped, and disposed from the 300 Area.

Assumptions:

- None identified.

Government Furnished Services/Items:

- Review and respond to an ERDF Authorization Basis Document (0600X-AB-G0004/BHI-00370) change, if needed, within 90 days after submittal of the AB.
- Review and respond to request for amendment to the SARP addressing the 1.25 enriched fuel and scrap and allowing shipments below 60 degrees Fahrenheit within 90 days of submittal.

Table A - Uranium Metal Fuels Inventory – (Totals Are in MTU)

Location	0.71 U	0.95 U	1.25 U	Total	Material Type
303-B	0	0	**39.19** – 72 Red Boxes	**39.19 –** 72 Red Boxes	Contaminated fuel assemblies
3712	**53.90 –** 67 Red Boxes	**488.20 -**628 Red Boxes	**104.28** – 195 Red Boxes	**646.38 -**890 Red Boxes	Fuel assemblies
3712	**0.14 –** 1 Scrap Box	**1.06 –** 1 Red Box 5 Scrap Boxes	**0.08** – 1 Red Box	**1.28 –** 2 Red Boxes 6 Scrap Boxes	Scrap
3716	**8.68 –** 12 Red Boxes 9 Scrap Boxes	**113.37 –** 144 Red Boxes 125 Scrap Boxes	**14.64** – 50 Red Boxes	**136.69 –** 206 Red Boxes 134 Scrap Boxes	Unfinished fuel assemblies
Total	**62.72**	**602.63**	**158.19**	**823.54**	

Signatures

_____ _____
R. G. Gallagher, President & Chief Executive Officer Date
Fluor Hanford, Inc.

_____ _____
K. A. Klein, Manager Date
Richland Operations Office

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0 June 10, 2004
PBS: RL-042 Nuclear Facility FFTF
Allocated Fee: $7M of the fee available in Contract Clause B.4

Performance Objective 1: Fast Flux Test Facility Complex Hazard Reduction
$7M of the fee available in Contract Clause B.4

Performance Objective 1a: Remove all remaining FFTF reactor fuel from the 400 Area and transfer it to the 200 Area Interim Storage Area (ISA)

1) $1.5M may be earned as progress payment for removal of 81 fuel assemblies (COMPLETE).
2) $1.5M may be earned as progress payments for the completion of loading and transferring 5 additional interim storage casks (ISCs), in increments of $0.3M per ISC, by 31 August 2004.
3) $2.1M may be earned as provisional payments in increments of $0.21M per ISC for the completion of loading and transferring each of 10 additional ISCs by 31 March 2005. If contract transition occurs prior to work completion, remaining fee from this expectation will be re-allocated to existing incentivized work scope associated with RL-030. The provisional payment will convert to progress payment upon completion of Performance Objective 1b, below.
4) $0.4M may be earned as a progress payment for the disassembly of fuel assembly MFF-1 and loading of fuel pins into Ident 69 pin containers or pin baskets, as appropriate, by 31 July 2004.

Completion Criteria:

- Interim storage casks (ISCs) loaded and transferred to the 200 Area Interim Storage Area (ISA).

Assumptions:

- None identified.

Government Furnished Services/Items:

- None identified.

Performance Objective 1b: Perform additional risk reduction activities at the FFTF to include:

$1M may be earned as progress payment upon completion of selected reactor sodium and sodium-potassium alloy drain activities by the completion of FFTF contract transition.

Completion Criteria:

- Sodium flush completed for the two in-containment sodium-potassium (NaK) alloy cooling systems (primary cold trap cooling, and Interim Decay Storage vessel cooling). Following the flush, the NaK systems will be drained to the maximum extent practical and the remaining NaK and frozen sodium residuals will be maintained under an inert gas blanket pending later disposition.
- The reactor vessel sodium level lowered to just above the tops of the immersion heaters and the three primary heat transport system loops drained to the maximum extent practical. The sodium transferred into the Sodium Storage Facility (SSF). Associated trace heat systems de-energized and primary pony motors secured. Completion does not include actions to drain the reactor vessel and primary auxiliary sodium systems or disposition of residual sodium in cold traps and other portions of the system, or shutdown and lay-up of associated cover gas, electrical support, heating & ventilation, primary pump skids, or other support systems.
- In the Fuel Storage Facility (FSF), the portion of the NaK cooling loop external to the fuel storage vessel drained. Non-drainable NaK in the loop within the FSF storage vessel and in the NaK-to-air heat exchangers removed to the extent practical. The NaK loop will then be maintained under an inert gas blanket pending later disposition. The removed NaK, including that stored in the FSF NaK storage tank, transferred into the FSF storage vessel sodium.

Assumptions:

- None identified

FY 2003 – FY 2006 FHI PERFORMANCE INCENTIVE

Rev. 0 June 10, 2004
PBS: RL-042 Nuclear Facility FFTF
Allocated Fee: $7M of the fee available in Contract Clause B.4

Government Furnished Services/Items:

- None identified

Performance Objective 1c: Drain secondary sodium

$0.5M may be earned as progress payment upon removal of secondary sodium (COMPLETE).

Signatures

_____ _____
R. G. Gallagher, President & Chief Executive Officer Date
Fluor Hanford, Inc.

_____ _____
K. A. Klein, Manager Date
Richland Operations Office